

**DEPARTMENT OF HOUSING AND COMMUNITY DEVELOPMENT
DIVISION OF COMMUNITY AFFAIRS****Joe Serna, Jr. Farmworker Housing Grant Program**

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<http://www.hcd.ca.gov/ca/fwkg>**NOTICE OF FUNDING AVAILABILITY****JOE SERNA, JR. FARMWORKER HOUSING GRANT
PROPOSITION 46 HEALTH-HOUSING SET-ASIDE****November 24, 2003**

The Housing and Emergency Shelter Trust Fund Act of 2002, approved by the voters as Proposition 46 in November 2002, set aside Twenty Million Dollars (\$20,000,000) for farmworker housing developments that also provide health services to the residents [the “**Health-Housing Set Aside**”, [Health and Safety Code Section 53533\(a\)\(4\)\(B\)](#)]. These funds will be administered as required by the Joe Serna, Jr. Farmworker Housing Grant Program (“JSJFWHG Program”) ([Health and Safety Code Section 50517.5](#) and [25 Cal. Code of Regs. commencing with Section 7200](#)). However, Proposition 46 allows the Health-Housing Set Aside to be administered by an entity other than the Department.

The purpose of this Notice of Funding Availability (“NOFA”) is to solicit applications for the administration of the JSJFWHG Program Health-Housing Set-Aside as set forth in more detail below. These will be pass-through funds that upon repayment or recapture will be returned to the Department.

NOTE: The Department recently adopted Uniform Multifamily Regulations that will apply to projects funded from the Health-Housing Set Aside. These regulations govern, among other things, required site control, underwriting assumptions and reserve requirements. These new regulations have been incorporated into the JSJFWHG Program regulations and may be found at [25 Cal. Code of Regulations commencing at section 8300](#).

A. Background and Purpose

As a matter of policy, the Department is making the Health-Housing Set Aside available to achieve the following purposes (these purposes generally follow the intent of the Legislature under an earlier program that linked JSJFWHG Program funds to housing developments with health services):

- Integration, coordination and expansion of health services to improve the health status of agricultural workers and their families; and
- Integration and coordination of the JSJFWHG Program with public, private, and nonprofit organizations providing health services to agricultural workers and their families.

B. Eligibility

In order to receive a contract to administer these funds, applicants must have statewide experience, capacity, and capability in designing, financing or arranging financing, and implementing programs that provide housing for agricultural workers that includes integrated health services.

Each project funded with Health-Housing Set-Aside funds must provide matching funds as required by the JSJFWHG Program requirements. However, successful applicants under this NOFA will not be required to provide their own funds to match the Health-Housing Set Aside funds.

C. Contract Requirements and Milestones

Successful applicants will be required to enter into a contract with the Department (a “Standard Agreement”) that will, among other things, require the contractor to:

- Solicit, evaluate, and approve applications for farmworker rental housing developments that include a health care component (the “project selection and underwriting phase”);
- Prepare grant and/or loan documents to evidence and secure the JSJFWHG Program funds (the “loan closing phase”) (form documents will be provided by the Department);
- Oversee project construction (the “construction phase”); and
- Monitor compliance with the JSJFWHG Program regulatory agreement (the “monitoring phase”).

The Contractor will have 30 months from the date of this NOFA to obligate funds to eligible projects. All funds not obligated to a specific project at the end of the 30 months will be disencumbered and returned to the Department. The Standard Agreement also will include deadlines for individual projects to draw down funds and commence construction. Funds committed to projects that do not meet these deadlines will also be disencumbered and returned to the Department. (For purposes of evaluating applications submitted in response to this NOFA, applicants will be evaluated on their capacity to oversee projects with an estimated grant/loan closing and construction time frame of 24 months from date of commitment.)

D. Project-Eligible Expenses

Health-Housing Set Aside Funds may be used for almost any eligible cost cited in Health and Safety Code Section 50517.5 and in the JSJFWHG Program Regulations (25 Cal. Code of Regs., beginning with Section 7200) including, but not limited to, land acquisition, site development, new construction, rehabilitation, professional services, repayment of predevelopment loans made by a public entity or nonprofit corporation, and an allowance for reasonable replacement reserves. (However, no part of a project award may be used to pay a developer’s fee.)

E. Contractor’s Eligible Expenses

Funds for the Health-Housing Set Aside come from the sale of general obligation bonds. General obligation bond proceeds may be used for costs of construction or acquisition of capital assets and the State’s administrative costs. Proceeds also may be used for costs incidentally but directly related to construction or acquisition, such as planning, engineering, construction management, architectural and

other design work, environmental impact reports, and legal expenses. However, **funds provided under this NOFA may not be used to pay the general administrative expenses of operating a program. The Contractor will not receive reimbursement from the Department for any costs incurred in providing long-term monitoring of Health-Housing Set Aside-funded projects, as will be required under the Standard Agreement.**

F. Application Process

Each applicant shall submit a narrative application that addresses the following topics:

1. Capacity and Capability: Describe in detail the applicant's statewide experience, capacity, and capability in designing, financing or arranging financing, and implementing programs that provide housing for agricultural workers that includes integrated health services.
2. General Program Description. Generally describe the applicant's program to integrate health services with the provision of farm worker housing utilizing the Health-Housing Set Aside funds.
3. Specific Implementation Strategies: Describe in detail how the applicant will:
 - a. Advertise and market the program;
 - b. Evaluate the capacity and capability of potential borrowers or grantees;
 - c. Identify and select projects for funding (e.g., competitive or continuous application process, underwriting criteria [consistent with JSJFWHG Program requirements]), use of a loan committee);
 - d. Identify other potential sources of project construction, permanent financing, and funding for on-going health services operations;
 - e. Identify the potential health services needs of project residents based on the demographics of the anticipated resident population and geographic location of the project; coordinate the on-going provision of appropriate health services; and assure the on-going provision of services to project residents;
 - f. Prepare loan and grant documents, and close loans and grants;
 - g. Oversee construction; and
 - h. Provide long term monitoring for compliance with JSJFWHG Program requirements (this description shall include a description of how the applicant will fund the costs of this activity).
4. Implementation Time Frames: The applicant shall provide a work plan that describes the major tasks and milestones for commitment of Health-Housing Set Aside funds within a 30-month time frame, and grant/loan closing and completion of project construction within 24 months thereafter. Applicants are not required to demonstrate that they can commit all \$20 million of the Health-Housing Set Aside within 30 months or have all projects completed within 24 months thereafter.

Applications will be evaluated in relation to one another as to the amount of funds that reasonably can be committed and the number of projects that can reasonably be completed within these time frames based on the applicant's capability, capacity and implementation strategy.

G. Evaluation Criteria

Staff will conduct an initial review of applications to assess whether all of the above topics have been addressed in sufficient detail for further evaluation. Those applications found to be sufficient for further evaluation and that demonstrate the applicant's prior experience in operating a statewide program linking housing and health services will be rated and ranked relative to one another on the following criteria:

1. **Health Services Coordination** – the extent to which the applicant has identified and obtained commitments for funding of appropriate health services to project residents over time. Greater weight will be given for: (a) a greater breadth of proposed services, commensurate with the needs of the anticipated project residents; and (b) the more definite commitment of funds for on-going health services operations. **Maximum Number of Points: 35**
2. **Monitoring Resources** – the extent to which the application demonstrates that the applicant has the staff resources and financial capability to provide long-term monitoring for compliance with the JSJFWHG Program requirements. **Maximum Number of Points: 30**
3. **Leverage** – the extent to which the applicant has demonstrated the ability to identify and access other sources of funds for construction and long-term financing of the housing project. Greater weight will be given for lower rents made possible by funding sources with lower debt service. **Maximum Number of Points: 25**
4. **Readiness** – the capacity of the applicant to make funding commitments of Health-Housing Set Aside funds to specific projects within the 30-month time frame, and the capacity of the applicant to close loans or grants and provide construction supervision in order for projects to be completed within 24 months of a funding commitment. **Maximum Number of Points: 10**

Interested parties may write or call for further information at the address or telephone number listed below. The Department must receive two copies of complete narrative applications no later than 5 p.m., Pacific Standard Time on Monday, December 29, 2003. No facsimiles will be accepted. It is anticipated that awards will be announced in January, 2004. Please direct your requests more information to the Manager of the Program:

Pat Dyas
Department of Housing and Community Development
Joe Serna, Jr. Farmworker Housing Grant Program
P.O. Box 952054, MS 390-8
Sacramento, California 94252-2054
(916) 327-0942, (916) 322-2904(FAX), or e-mail to: <mailto:pdyas@hcd.ca.gov>

Thank you for your interest in the Joe Serna, Jr. Farmworker Housing Grant Program.

Sincerely,

William J. Pavão
Deputy Director
Division of Community Affairs